Introduction

When authorities in Kaduna State, Nigeria, decided to crack down on unregistered cars and illegal driving, automotive technicians paid a hefty price. Traditionally, technicians test drove the cars they had just fixed to make sure everything was in order. However, since these vehicles were not registered to their name, they suddenly found themselves harassed and fined by police, and in some cases, the vehicle that their customers had entrusted to them was impounded. Infuriated by this, automotive technicians took to the streets to riot and voice their discontent.
They understood this was terrible PR and could potentially damage their bottom line, but they did not know any other way to push authorities to back down or change their position. To help the technicians more effectively advocate to the government, the ENABLE project looked to work with the Kaduna chapter of the National Automotive Technicians Association (NATA). In its work with NATA, ENABLE helped fundamentally shift the way members thought of themselves, how they operated as a collective and how they voiced their concerns to the authorities. Ultimately, this opened up productive dialogue, which helped government reform and remedy the issue, allowing the technicians to carry on with their work as they had before.

This story, recounted by ENABLE project staff, illustrates the potential of supporting BMOs. Unfortunately, success stories of the sort are not so common and many development practitioners have grown sceptical of business membership organisations (BMOs) and their ability to drive economic development and social equity initiatives. The reality is that BMOs in developing countries often face a wide array of challenges including poor organisational capacity, lack of technical skills, low member engagement, and limited financial resources. Advancing pro-poor development by working with local BMOs can thus be extremely resource-intensive, time-consuming and inherently risky as success can depend on addressing many different aspects impacting BMO effectiveness.

The approaches traditionally used by development practitioners do not help matters and often lead to unsustainable outcomes. They favour tools that are more straightforward and more rewarding in the short-run, which leads many programmes to essentially end up treating the symptoms of a BMO’s underperformance rather than address its root causes. They give money to a BMO struggling to finance activities rather than convince members to invest more of their time and money into service provision, or they help a BMO craft a specific advocacy campaign rather than teach its members how to do so independently from scratch\(^1\).

Not all is doom and gloom however – practitioners can do better and sustainability of initiatives is achievable. Pairing lessons from academic research with those from market systems development (MSD) projects, this brief seeks to shed light on how practitioners can improve their work with BMOs. Following a brief presentation of the determinants of BMO effectiveness identified in the literature (section 1), we delve directly into the practical challenges faced by MSD projects in engaging BMOs and the strategies that have emerged to successfully leverage them to advance sector coordination and pro-poor development (section 2).

### Box 1. What are BMOs and what do they do?

Business membership organisations (BMOs) are collective, member-based organisations that have formal membership and internal decision-making procedures. Members can be individual business people, enterprises or other business membership organisations. Depending on business interests, resources and market conditions, members may, for instance, work together to strengthen their “voice” and advocate for a more favourable business environment, improve collective access to business development and other support services, or secure better terms of trade. From an MSD perspective, BMOs are extremely versatile market actors that can play significant roles at all levels in a market system: the core value chain, supporting functions, and rules and regulations.

### 1. What Makes an Effective BMO?

Academics have researched BMOs extensively to understand what makes a BMO both effective and development-oriented. Although prevailing BMO-related literature has varied opinions, it also has some common themes that can help development projects.

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\(^1\) See Davies (2017:10-12) for an explanation of the shortcomings of traditional development approaches to business environment reform in particular.
The most important factor for BMO effectiveness is the ability and willingness of volunteers or professional staff to deliver on initiatives. Thus, developing human resources and institutionalising and professionalising BMO roles is naturally a prime objective of BMO development efforts. Nevertheless, to get the most out of those resources in the long run, four underlying factors are key:

- **Membership density**: As the membership density of a BMO increases, the resources and legitimacy of that BMO tend to increase, as does its incentive to provide collective goods and its ability to act on behalf of member majority. A greater number of members however can (and often does) add greater coordination and monitoring costs.

- **Selective incentives**: BMO membership entails certain costs and benefits, which members weigh-up against meeting other business needs. Thus, selective incentives – or access to benefits (e.g. improved access to support services) that apply solely to BMO members – ultimately drive prospective members to join and remain in a BMO.

- **Fair and effective decision-making**: A BMO is a collective organisation with overlapping and, at times, conflicting interests. Fair and effective decision-making mechanisms ensure that members stay engaged and stick to their commitments, and that BMOs do not become subject to deadlock or elite capture (i.e. where a minority steers the BMO to its own benefit). Research suggests that effective BMOs weight votes by size; adjust internal rules and membership representation flexibly; make decisions transparently; and provide opportunities for extensive deliberation.

- **Developmental orientation**: A BMO’s tendency to pursue growth-oriented objectives increases with

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2 These four key factors were identified by Doner & Schneider (2000a; 2000b). The rest of this section therefore constitutes a summary of their contribution with added insights from other researchers.

3 Membership density increases with the number of BMO members and the proportion of sector output produced by members.

4 Selective incentives are most easily conceived as positive and economic in nature. They can nevertheless also be negative i.e. defection from the BMO gives rise to “punishments” (e.g. fines in cases where BMO membership is state-mandated), as well as social in nature (e.g. membership provides standing in the community).

5 Beyond governance mechanisms, it should be noted that the likelihood and degree of collective action depend on a number of structural variables such as member heterogeneity and group size, whose effects are in turn mediated by individual level variables such as reputation, trust and reciprocity (Ostrom, 2010).

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2. **What Can We Learn from Market Systems Development Projects?**

To shed more light on what practitioners can practically do with BMOs, this research delved into the experiences of four market systems development projects:

1. **The Market Development Facility (MDF) in Fiji** is funded by the Australian Government and implemented by Palladium, in partnership with Swisscontact. The project is focused on generating employment and increasing incomes through inclusive and sustained economic growth in the Indo-Pacific Region. In Fiji, MDF saw an opportunity to catalyse inclusive growth in the tourism sector through the development of niche destinations. To this end, MDF facilitated the emergence and capacity building of local tourism associations to increase locally-led destination marketing efforts and strengthen the voice of local stakeholders on the national stage.

2. **MarketMakers in Bosnia and Herzegovina (BiH)** is funded by the Swiss Agency for Development and Cooperation (SDC) and implemented by a consortium composed of Helvetas Swiss Intercooperation and Bosnian Kolektiv (mojposao.ba). The project aims to catalyse inclusive economic growth and create sustainable youth employment. In the IT sector, MarketMakers facilitated the emergence of a sector association, “BIT Alliance”, to stimulate a collective response to a chronic shortage of skilled labour and low sector competitiveness, notably by means of increased sector advocacy capacity and ensuing recognition of IT as a BiH strategic development sector.

3. **The Foundation for Partnership Initiatives in the Niger Delta (PIND)** is an organisation funded by Chevron Corporation through the Niger Delta Partnership Initiative Foundation. It is implemented by the PIND foundation and DAI in the Niger Delta.
Region of Nigeria. In its economic development component, PIND works in various agricultural value chains including the aquaculture sector and partners with various producer organisations to facilitate smallholder access to support services and improve their business environment.

4. **Enhancing Nigerian Advocacy for a Better Business Environment (ENABLE)** was funded by the Department for International Development (DFID) and implemented by Adam Smith International (ASI) and the Springfield Centre in Nigeria. Over ten years, ENABLE supported a wide array of BMOs and worked with government, media and research organisations to strengthen the supply and demand for business environment reform and supporting markets. Their efforts ultimately contributed to the development of a sustainably inclusive and growth-oriented “business environment reform market system” across multiple sectors and regions in Nigeria.

From these case studies, a number of overarching lessons that can help development projects to better engage with BMOs for pro-poor development were drawn. These lessons can be categorised into three themes:

- **Partner Selection**
- **Intervention Support**
- **Scaling Up.**

**Lessons on Partner Selection**

Poor partner selection can kill a project intervention before it even gets off the ground. It is therefore crucial for projects to carry out effective due diligence to see if a potential BMO partner already has or could develop the skills and will to deliver.

**Before looking for BMOs as partners, projects should first make sure that BMOs are the right type of actor to perform targeted functions.** Although this evidently differs according to context, BMOs are generally well positioned to deliver on the provision of collective goods (e.g. sector marketing, advocacy, adoption of standards) as well as improve access to support services (e.g.
financing and training) for similar market actors unable to access them otherwise.

When it comes to selecting the ideal BMO partner, many projects find themselves in a situation where they have to decide whether to prioritise partner capacity or partner willingness. While both are extremely important, ultimately, willingness of the partner is what will make or break a project intervention. Partner BMOs must be on board with the project's targeted outcomes as well as willing to work as a collective and enter into an open and transparent relationship with the project. In the absence of any of these elements, interventions will likely struggle to take off.

Large BMOs such as sector associations, which are generally led (and sometimes outright captured) by large businesses are often less aligned with poverty reduction objectives and less receptive to project guidance. Nevertheless, when members operate within markets subject to regional or international competition, they are incentivised to work collectively towards promoting sector competitiveness, which can, in turn, stimulate economic growth and generate more and better employment opportunities. Projects should thus not shy away from large BMOs, which typically have more capacity, especially when seeking to promote sector competitiveness, provided they have a clear vision of how doing so will eventually reach the target group.

The more BMO members on board with the project initiative the better. However, perhaps more important is the presence of change agents within the BMO that have the ability and incentive to get things done. Reaching critical mass in terms of member buy-in is thus not necessarily about numbers; it is more about getting on board “champion” members that will rally others and drive BMO initiatives, particularly for those that are volunteer run.

> “Everything else [other than willingness] you can improve, uptrain, upskill. But if willingness is not there, especially for something like a [business membership organisation], when you’re dealing with multiple people, it’s not going to work.”

Troy Simpson, MDF

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6 By banding together, BMO members are able to reach the scale at which support actors will service their needs or the scale at which they are able to service them themselves (i.e. through direct BMO services). In essence, BMOs help members overcome indivisibilities and reduce transaction costs.

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Box 2. Identifying potential for tourism BMOs and leveraging champions

In Fiji, MDF saw an opportunity to generate employment and increase incomes by developing the tourism industry in lesser known destinations. The major issue was that although niche destinations had the capacity to accommodate more tourists, their growth was constrained by low visibility and connectivity challenges. Given their relatively small scale, individual tourism providers typically did not hold enough sway to alter the status quo. MDF thus bet on the vision that market players in these destinations could work together and, in turn, promote their destinations more effectively.

In selecting partners, MDF first got the largest hotels on board, which then used their reach and influence to convince smaller tourism businesses to join the collective effort. Today, where MDF applied this strategy, almost all local tourism stakeholders are part of the local tourism BMO and, perhaps more importantly, many of the original members MDF sought out still bear an important leadership role. After all, securing buy-in from a handful of willing and highly capable members proved to be much easier than getting everyone on board from the beginning.

**KEY LESSONS**

- Ensure that potential partner BMOs are the right type of market actor to perform targeted functions.
- Prioritise willingness over capacity in selecting partners.
- Do not shy away from partnering with large BMOs, especially to address inadequate provision of collective goods.
- Leverage (potential) champions to foster collective action and drive BMO initiatives.
Lessons on Intervention Support

Sustainable Capacity Development

When starting out engagement with a partner BMO, it is often necessary to focus on developing its organisational management capacity before getting into technical skills development. Partner BMOs may for instance lack explicit governance procedures, collectively defined strategic direction, institutionalised BMO roles or the ability to collect membership fees, without which they may have difficulty handling new or improved functions.

Different BMOs naturally face different organisational management constraints. As such, the first step of BMO engagement – potentially even prior to establishing a formal partnership – should be to conduct a participatory BMO diagnosis to identify key weaknesses impeding further BMO development. Projects should then prioritise what is most important to address within available time and resource constraints and have a plan to transition into BMO service development as soon as practicable.

Projects should keep in mind that BMO members may simply not be aware of the inherent value of foundational practices or assets and therefore unwilling to adopt/pay for them. This is especially relevant for BMO roles and dedicated staff positions, often discarded as unnecessary or too resource intensive by members. In such instances, providing proof of concept to members e.g. by temporarily funding a staff position to perform administrative tasks or to lead advocacy efforts, may be necessary.

Box 3. Absorptive capacity: When a silver bullet is not what it seems

ENABLE oriented partner support in a way that helped partners learn as much as possible. However, sometimes the learning exercises were not always aligned to the absorptive capacity of BMOs. Following a presentation by a consultant that ENABLE flew-in to deliver a “silver bullet” solution, BMO members seemed to love it. Yet, sometime later, project staff learned that what had been suggested by the consultant was not being implemented at all because it was simply too advanced for BMO members at that point in time.

Regardless of the BMO capacity aspect that projects intend to develop, they must make sure that support is tailored to a BMO’s “absorptive capacity” i.e. that targeted practice changes can be assimilated by partners and sustained after the project closes. This implies that projects should manage ambition regarding what they can achieve with a given partner, how quickly it can be done, and with what kind support. Dealing with grassroots BMOs, which often do not have employees, time, an office or a bank account implies a completely different set of tools and possible outcomes than dealing with a peak association. In any case, getting a feel for what a BMO can and cannot achieve takes time and, above all, depends on open communication between project and partner.

Finally, to ensure that the BMO can sustainably carry on the initiative beyond the life of the project, project support should evolve over time to promote increasing BMO ownership and independence. This might involve gradually diminishing the depth of support (e.g. decreasing financial cost-sharing) or switching to different and less resource intensive support, which helps partners make the most of capacities/assets already acquired. Lighter support modalities such as brokering relationships, developing soft skills or even ad-hoc advice post-intervention can all have a tremendous impact.

KEY LESSONS

- Prioritise supporting BMOs to overcome organisational management barriers impeding further BMO development, notably a lack of dedicated staff and institutionalised BMO roles.
- Calibrate support to a BMO’s absorptive capacity.
- Consolidate capacities and incentives of members to undertake a given practice change by gradually phasing out support and/or by building complementary capacities.

Effective and Impactful Support

BMOs are often accustomed to receiving traditional development assistance with few strings attached and sometimes with funds to keep core business activities afloat. Given this grounding, market systems projects can get off on the wrong foot when proposing engagement that is not clearly transactional and seems to require more resource effort from BMO members.

7 Organisational management capacity development is a continuous process and project support may also be provided in parallel with or following BMO service development to bolster continued delivery and thus sustainability of impact.

8 Projects may use a diagnostic tool as a vetting exercise during which partners’ recognition of the need to change and their willingness to do so is probed.

9 Term coined by David Elliot from ENABLE.

10 As explained by Davies (2017), discarding “first-best” solutions in favor of “good enough” solutions, which contribute to project objectives and are within the bounds of local capacity and appetite, will make for greater sustainability in the long-run. At its core, this implies that projects should aim to define quality from a local perspective rather than their own.
To get over these hurdles, projects should prioritise initiatives: 1. where BMO members are the primary beneficiaries; and 2. that can quickly bring results attributed to the project and the BMO. This will strengthen the project’s image as a valuable partner and the BMO’s as a worthwhile investment for members, which will, in turn, help establish a strong foundation for further cooperation and strengthen member engagement.

Box 4. Strengthening engagement of reluctant partners in an aid-intensive context

In Nigeria, PIND first engaged with fish farming associations through a demonstration pond intervention, which looked to increase member incomes through greater access to inputs and fishpond management training. Success in this intervention led to large increases in BMO membership, which enlarged the pool of potential BMO service recipients and helped increase the resources at the BMOs’ disposal. It also helped strengthen engagement of partners, notably the largest fish farming association in the region, which had originally refused to partner with PIND because the programme did not directly offer the money and assets it wanted. As its partnerships matured, PIND went on to support partners with other, arguably more complex functions such as advocacy and access to finance, which typically take longer to develop or produce results.

In order for projects to make the most of their “catalytic” potential, once a BMO is able to perform functions somewhat independently, the most efficient use of project resources might lie in helping the BMO diversify its service offering and expand its set of “core” functions. As this may entail leading a BMO into uncharted territory for which it might not have the immediate capacity or appetite, a clear business case or strong initial support from the project may be required.

Box 5. Building on acquired gains by supporting diversification of an IT sector association

To address a skills shortage in the IT sector in Bosnia and Herzegovina, MarketMakers facilitated the formation of an IT association, “BIT Alliance”. MarketMakers then helped the aspiring sector association develop an IT training boot camp adapted to member needs and supported the development of its advocacy capacity notably by investing in various IT studies. Later on, following various long fought advocacy successes, it supported BIT Alliance to develop an IT career portal to guide youth into IT and therefore increase the supply of IT professionals in the market. Together, they gathered relevant information on education opportunities, internships, learning resources, career advice, job platforms, etc. and hosted it all in one unique online platform. Over time, the portal has amassed a significant number of views and become a popular go-to for online advertising space.

Given their collective nature, BMOs are particularly vulnerable to free-riding. To ensure that members are willing to drive initiatives, projects should help members – in particular the champions – identify and take advantage of selective benefits that may arise. Naturally, where different BMO functions can help address the same market constraint, projects should prioritise those from which the greatest selective benefits can arise. As this might not be immediately obvious, projects may want to trial multiple options to see which gain traction within the BMO and focus their efforts on that front.

11 For instance, research undertaken by a BMO to feed into its advocacy efforts (which will, in most cases, ultimately also benefit non-members) can potentially be repurposed as exclusive market research only available to members.
Box 6. Taking advantage of selective incentives while promoting destinations

In Fiji, MDF supported local tourism associations to lead online destination marketing campaigns and organise events in their respective destinations. When Tourism Suncoast organized the “Suncoast Swim”, it increased the visibility of the destination, attracted more tourists, and produced selective benefits for BMO members. Since the BMO issued tickets to the event, interested member hotels could offer preferential accommodation with event ticket packages and get an advertising boost from being mentioned on the event platform. In turn, member hotels, who were more likely to cash in on event attendees, were incentivised to make sure the event was a success and turn it into a yearly staple of the Suncoast scene. Now, Tourism Suncoast has the ambition to organise an event with even greater international appeal, namely a kitesurfing competition, with the support of MDF and Tourism Fiji (the government’s tourism marketing arm).

KEY LESSONS

- Prioritise the development of functions that can serve to secure buy-in for the project and foster member engagement.
- At a later stage, help BMOs diversify their functions within their strategic scope whilst accounting for potential resistance from BMOs or inadequate competencies.
- Support BMO collective good provision by helping members take advantage of selective benefits and opting for functions where the greatest selective benefits can be leveraged.

Lessons on Scaling Up Impact

To scale-up initiatives, projects must think early and hard about how an intervention will actually get to scale and then streamline such thinking into processes for intervention design, partner identification, and support for complementary scale-up interventions.

The clearest and arguably most promising pathway to reach scale with BMO interventions is through BMO membership expansion, which increases the number of recipients of BMO services, BMO resources and organisational legitimacy. As membership expansion is primarily a function of perceived membership value, it is important to help BMOs develop valuable member services and to ensure the presence of champions that can spread the word.

As a means to facilitate expansion, BMOs have used tiered membership structures or the appointment of local representatives/leaders facilitating geographical expansion. Projects may also contribute, albeit to a limited extent, by providing support on membership outreach and communications (e.g. by linking them with media institutions), or by highlighting the potential benefits of inclusive membership and expansion to members.

See Davies (2016) for a description of the various pathways available to achieve scale for private sector development projects.
Box 7. Starting small but aiming big: the formation of an IT sector association

MarketMakers partnered with six of the largest software development firms in Bosnia and Herzegovina to form “BIT Alliance” and bolster private sector advocacy, develop skills development initiatives and promote the appeal of IT as a career, notably to youth. Although the association was relatively small-scale at the outset and remained so for a couple years, it has since expanded to over 50 members located throughout the country. The association now also includes smaller companies active in software development and other IT sub-sectors such as digital marketing.

How did BIT Alliance expand? It restructured membership fees into three tiers – lowering barriers to entry for smaller firms – and established a local presence across the country by designating local representatives and even building two local offices (in addition to its HQ in Sarajevo) in the other major IT hubs of the country. Over time, it has established itself as a valued and legitimate IT sector representative body and evolved towards “high-level” activities like supporting strategic national policy development to be more competitive with other IT markets in the region.

In an ideal world, BMO success would demonstrate incentives to other BMOs to replicate initiatives and for market actors to form new BMOs. In reality, the experiences of these projects suggest that demonstration effects alone are generally insufficient to lead to replication. Scale-up through other actors often requires support to second-mover BMOs.

Strengthening linkages between BMOs and support actors is another way that can lead to scale-up. Projects may pilot business models bringing together BMOs and support actors, which have a commercial interest to replicate and expand, and help highlight the viability of BMOs as viable business partners.

Box 8. Leveraging the private sector to lead the charge

When PIND piloted a demonstration pond model to improve fishpond management practices, it brought together BMOs and input suppliers, which provided access to quality fish feed at a reduced cost. The intervention led to impressive increases in farmer profits and subsequent farmer investment into more ponds. Input suppliers recognised that the model was an effective marketing strategy and replicated it elsewhere within other clusters in the region and beyond. PIND’s efforts to build a local pool of fish farming experts proved successful in further facilitating the replication of the model, as their services were solicited by input suppliers seeking to implement their own demonstration ponds but also by individual farmers. The success of the model was obvious to other donor projects, who then piloted similar models in the region.

Based on the gains that partner BMOs reaped as a result of this intervention, PIND helped link BMOs to financial institutions, using the solid demo pond results and apparent growth potential to highlight the viability of this new market segment.

Governments can also act as important scale agents by taking up project efforts and directly providing support to BMOs post-project, or by making room for enhanced cooperation. In working with government, it is imperative to highlight their incentive to work with BMOs. This might be done by brokering linkages with government and showcasing the legitimacy and potential value addition of interaction with BMOs. As a secondary option, it may be useful to highlight to governments that working with social partners such as BMOs falls within their mandate. Here, projects can work with government to institutionalise public-private dialogue or by supporting the development of media institutions, which can promote dialogue and government accountability.

Nevertheless, although government can be an important actor in supporting BMO scale-up, projects should beware of scaling strategies that are overly reliant on links between BMOs and government. Firstly, government support often occurs under direct delivery (rather than facilitative) modalities, which are not conducive to

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13 They may also simply be difficult to observe, or operate under a lengthier timescale than that measured by projects.
14 See The Lab (2019:19-27) for a detailed account of the demonstration pond intervention outlined in Box 8 as well as lessons on piloting pro-poor business models more generally.
independent BMO functioning and therefore run the risk of failing if government priorities shift significantly. Secondly, research suggests that voluntary BMOs, which are independent from the state, are generally better advocates for institutional reform\textsuperscript{15}, which undeniably constitutes one of the major developmental functions of BMOs.

**Box 9. Applying MSD thinking to a non-market transaction: The ENABLE approach to business environment reform**

ENABLE project staff recognised from an early stage that traditional approaches to business environment reform were often unsuccessful because they typically treated BMOs or government as independent. As David Elliot, who worked on the programme, put it: "there's no point in building voice, but not building capacity of government to listen, and there's no point building the government's capacity to listen and nobody actually speaking". Determined to adopt a systemic perspective, project staff formulated ENABLE as a programme supporting both the demand and supply of business environment reform (led by BMOs and government, respectively) but also the development of support markets such as research, which could inform policy development, and media, which could bring issues to the doorstep of policymakers. Beyond supporting BMOs to better conduct advocacy, ENABLE for instance contributed to the onset of consultation rules and norms within government, which institutionalised deeper ties with BMOs, and the introduction of new media products with potential to influence the quantity and quality of policy debates. ENABLE's work in these complementary spheres eventually took on a life of its own: "Working with the government, there was a lot of replication because once they liked something, other departments and agencies were able to pick it up and run with it. [...] Interventions with commercial media also saw a lot of replication and scaling up."

In hindsight, ENABLE saw that although its approach was unconventional, it would have never achieved so much had it just worked with BMOs: "When we were able to track back how the reforms we supported were delivered and who had a key role in that, in every case, at least three drivers of change were involved at some point with that reform going through and being successful. It may have started with a BMO agitating for something, the government may have taken over on that. And then the media may have reported on it. And then something would happen."

**KEY LESSONS**

- Expansion of BMO membership is the most straightforward pathway to scale and it usually happens organically as a result of prior successes which increase the value of membership.
- Replication of BMO practices or the BMO model by non-partners is unlikely and often requires project support to second movers.
- Strengthen linkages between support actors and BMOs by piloting business models where both have a commercial interest to expand, and by highlighting commercial viability, notably showing off prior successes.
- Leveraging government is a potent pathway to scale although, where this implies direct support to BMOs, it can lead to unsustainable practice change and/or sap BMO independence often key to the performance of effective private sector advocacy.

15 Meier et al. (2005)
Conclusion

It is clear that BMOs can play a valuable developmental role regardless of membership makeup. Nevertheless, leveraging BMOs to achieve development impact is inherently challenging. It requires building their capacity to deliver valuable services key to pro-poor development and convincing (prospective) members of why BMO membership is valuable, what a given practice change will achieve, and how the project and BMO members should each contribute.

Only so much can be done by projects and making the most of available resources requires careful consideration of the dimensions of a BMO’s capacity to support, the tools to use, the depth to which to use them, and thinking strategically about how to sequence and adapt support over time. Overall, MSD principles provide a solid basis to leverage BMOs in pro-poor development whilst also recognizing that there is no such thing as a silver bullet.

Summary of Key Lessons

PARTNER SELECTION
- Ensure that BMOs constitute the right type of market actor to perform targeted functions.
- Prioritise willingness over capacity in selecting partners.
- Do not shy away from partnering with large BMOs, especially to address inadequate provision of collective goods.
- Leverage (potential) champions to foster collective action and drive BMO initiatives.

INTERVENTION SUPPORT
- Prioritise supporting BMOs to overcome organisational management barriers impeding further BMO development, notably a lack of dedicated staff and institutionalised BMO roles.
- Calibrate support to a BMO’s absorptive capacity
- Consolidate capacities and incentives of members to undertake a given practice change by gradually phasing out support and/or by building complementary capacities.
- Prioritise the development of functions that can serve to secure buy-in for the project and foster member engagement.
- At a later stage, help BMOs diversify their functions within their strategic scope whilst accounting for resistance from BMOs or inadequate competencies.
- Support BMO collective good provision by helping members take advantage of selective benefits and opting for functions where the greatest selective benefits can be leveraged.

SCALING-UP
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From ENABLE - Abosede Paul-Obameso, former BMO manager (zemiata79@gmail.com); David Elliot, former director at The Springfield Centre (david@thegallusedge.org); and Gareth Davies, former senior manager at ASI.
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